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Congress of the United States
House of Representatives
Washington, DC 20515-5200

June 4, 2019

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
Washington, DC 20510

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
Washington, DC 20510

Dear Chairman Neal and Ranking Member Brady:

Thank you for holding a hearing today to solicit Members' views on our priorities for legislation within the jurisdiction of the House Committee on Ways and Means. Unfortunately, I am attending to business in American Samoa and cannot be with you today in person, but I am instead submitting this statement for the record and ask the Committee to permanently renew an economic development tax credit essential to the economic stability of the territory of American Samoa: the American Samoa Economic Development Credit.

American Samoa has been a proud and faithful territory of the United States. The island often yields the highest rate per-capita of military enlistment of any State or territory. In addition to its many cultural and commercial contributions, American Samoa has been invaluable to the U.S. mainland as a strategic outpost in the Asia-Pacific region.

American Samoa depends on its tuna canning industry, the territory's largest private employer and economic driver. With roughly 2,300 workers, the tuna cannery in Pago Pago is the largest private sector employer in American Samoa.

Beginning with the passage of the Tax Relief and Health Care Act of 2006, American Samoa has benefitted from a possession tax credit under now-section 30A of the Internal Revenue Code. This provision—designed to encourage investment in the U.S. insular areas and create jobs by reducing federal taxes on income earned by qualifying corporations—helps offset some of the competitive disadvantages faced by the tuna canning industry. This provision has ensured that the cannery companies do not relocate to foreign countries and take with them thousands of jobs and millions of dollars in economic activity.

Unless Congress intervenes to extend the 30A provision, American Samoa's government anticipates that the cannery will shut down within five years, creating a financial crisis from which the island's economy may never recover.

Congress recognizes the financial crises that can arise when the economic challenges facing U.S. territories are not adequately addressed at the outset. I ask for your support in permanently

extending the proven 30A provision, thereby avoiding the annual renewal process and providing economic security in American Samoa.

Thank you for holding this hearing today and for your unwavering commitment to the economic wellbeing of the United States and American Samoa. Please do not hesitate to contact my office should you have any questions.

Sincerely,



Aumua Amata C. Radewagen
Member of Congress

cc: Members of the House Committee on Ways and Means